

Memorandum



DATE June 21, 2018

TO Honorable Members of the Public Safety and Criminal Justice Committee

SUBJECT **EdCor Integrated Health Clinic**

On June 25, 2018, you will be briefed on an update related to the EdCor Integrated Health Clinic (IHC) and the proposed next steps for EdCor to acquire City-owned land for this project. EdCor has been working with the City and dozens of stakeholders on this project since January 2017 to ensure the end product is one that meets both City expectations and serves a public purpose. Public purposes of the clinic will include a solution to the following:

- The need for primary health care service in the targeted area (75241 zip code)
- The need to address the highest volume of mental health crisis calls through the South Central Police Station
- The lack of preventative outreach programs and ongoing behavioral & mental health treatment south of I-30

Section 253.111 of the Texas Local Government Code allows the City to transfer/sale land to a non-profit entity directly without a public bid process. During the briefing, staff will discuss the necessary elements to meet the requirements of Section 253, and seek the Committees recommendation to advance the project.

Representatives from EdCor IHC, will be in attendance including Christie Myers (Project Manager), Dr. Trivedi (Board Member and UT Southwestern MD) and Tillie Borchers (GrowSouth Fund) will be available to any questions.

Please contact me if you have any questions or need additional information.

Jon Fortune
Assistant City Manager

[Attachment]

CC:

Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Joey Zapala, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Integrated Health Clinic Update

Public Safety and Criminal Justice
June 25, 2018



Presentation Overview

- Public Purpose Overview
- Objectives & Strategies
- Site Plan Review
- Timeline
- Financing Model(s)



Public Purpose Overview

- The need for primary health care service in the targeted area (75241 zip code)
- The need to address the highest volume of mental health crisis calls through the South Central Police Station
- The lack of preventative outreach programs for chronic health conditions, including behavioral & mental health treatment, south of I-30

Objectives & Strategies

Objectives

- Create a collaborative health care center providing mental health and primary care services in southern Dallas
- Establish a resource for clinical education for UNT Dallas, Paul Quinn College and DCCCD students
- Create pathways for community engagement with health and mental wellness
- Reduce referrals to juvenile justice, jail and local emergency rooms for non-violent mental health crises

Strategies

- Partner with organizations involved in education and health initiatives to ensure communities' trust
- Co-locate mental health service provider, primary care service provider with community resource center
- Establish mental health and wellness training resource for schools, non-profits and faith-based organizations
- Engage one or more Social impact and Philanthropic investors to fund ongoing operational costs
- Partner with area health networks to quantify reduction in ER visits and improved health outcomes



SITE PLAN CONCEPT

Building One | Collaborative Health Care Clinic

- Outpatient Mental Health Care
- Primary Health Care services co-located in a single building
- Model allows for improved care of chronic and/or co-existing conditions.
- Potential future expansion

Building Two | Collaborative Education Facility

- On-site classroom/meeting space
- Opportunity for student health resource and practicum for mental health, wellness and social work majors
- Walking distance from UNT Dallas DART station
- Available for community outreach and programming

Building Three | Expandable space for other needs

- Outpatient Substance Abuse Recovery Programming
- Wrap Around Services for City, County, State Agencies to assist residents with chronic health conditions
- Goal to reduce stress of living with poverty, trauma and/or mental health challenges.

Timeline | June - August 2018

- Upon securing land with City of Dallas, commence design work for project
- Due diligence of site, including soil reports, to evaluate feasibility for construction
- Community Engagement Meetings & Task Force Assembled – Focused on design and services rendered
- Finalize tenant mix at the project and negotiate letters of intent with prospective tenants
- Refine model for project's construction costs, ongoing operating costs and evaluation of funding sources for same
- Application for new market tax credits for project construction
- Application for funding of land acquisition and pre-development costs
- Evaluation of critical offsite partners and negotiation of memorandums of understanding to outline terms and conditions for engagement and the potential for shared data to ensure all patient outcomes are captured

6

Timeline | September – December 2018

- Negotiate leases in final form with tenants
- Continue design work for construction
- Submit requests for permits and approvals with the City for initial site work
- Application for construction financing with a lender that will fund a portion of the construction in addition to new market tax credits
- Funding requests from philanthropic organizations that support mental and behavioral health care on a local, state and national basis
- By December 31, 2018 - closing/groundbreaking for the construction of the project

Timeline | 2019 & 2020

- Construction of the project
- Continued community engagement with local partners and initial community programming led by EdCor IHC at partner sites to create awareness of EdCor IHC and the services it will provide
- Philanthropic and local hospital system funding outreach for operating deficit funds.
 - Due to the innovative care EdCor IHC intends to provide, we project fewer ER visits at local hospitals and cost savings to these systems. It is the intent to seek philanthropic funding that would match contributions from hospital systems.

February 2020

Targeted Grand Opening of Project

8

Financing

- Interim Funding: \$3,500,000 combination of grants and GrowSouth Fund loan for land acquisition and pre-development, including architect & engineering.
- Construction Funding:

Bank Loan	\$7,000,000
New Market Tax Credits	\$5,250,000
Philanthropy/Grants*	<u>\$5,160,000</u>
	\$17,410,000

*Any shortage in philanthropic grants will be funded by GrowSouth Fund loan

Integrated Health Clinic Update

Public Safety and Criminal Justice
June 25, 2018

